

THE DEPARTMENT OF STATE BULLETIN

MAY 6, 1944

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MAY 31 '44

The War

SOME ECONOMIC WEAPONS IN TOTAL WARFARE

Address by Francis H. Russell at Annual Meeting of American Drug Manufacturers Association ¹

[Released to the press May 4]

This conference has been considering ways in which a great American industry which is devoted to combating human ills can most effectively extend the capacity for human happiness both in this country and abroad. In the subject which I have been asked to discuss with you we shall be faced with the opposite of that picture. We shall see how Axis industries were converted into wide-spread and powerful instruments of aggression and became integral parts of the Axis war-machine. If some bit of evidence were wanted that we are in a total conflict with an enemy who has converted to the ends of war even the most humanitarian phases of life it could be found in the striking contrast afforded by the topics of discussion of this conference. Foreign trade can be and, in a world devoted to peace, is a force making for mutual prosperity, international cohesion and understanding. Like many another instrument of peace, it can also become a menacing weapon of war.

As week follows week and Allied victories mount, it becomes increasingly, and comfortably, difficult to recall the narrow margin that at one time stood between the democratic nations and defeat. The reason for the narrowness of this escape from world slavery is not hard to find. In a very real sense the German nation has been moving toward this war for decades. Its philosophers and writers have been conditioning the German people in the concepts of racial supremacy. Its Army has pushed military science to its utmost limits. Its

rulers have impressed on the people a blind subservience to the state. Its psychologists have conducted studies into the most efficient use of propaganda for the purpose of confusing, frightening, lulling, and otherwise subverting and affecting the conduct of other peoples. Its economists and businessmen have exploited all the means by which ambitions of world domination could be furthered by German economy at home and abroad.

Of these various theaters of warfare, perhaps the one that was most successfully hidden from the world was the Nazi campaign of economic aggression. It is about some of the features of that campaign and the action taken by the Allied governments to meet and overcome it that I would like to speak to you.

When the Nazi party came to power, one of the first things that its leaders did, coincident with the building of its powerful forces, its spreading of moral confusion and mass lies, and its campaign of diplomatic intimidation, was to proceed systematically to apply well-prepared plans for converting Germany's vast foreign commerce and finance structure into a weapon of aggression. From its inception the Nazi regime in Germany waged undeclared and total economic warfare throughout the world. Together with their Fascist and Japanese partners, they carried out an economic penetration the ultimate aim of which was not mutually profitable trade but the subjugation of the national economy of entire countries to Axis purposes. The thoroughness of the Nazis in turning their foreign trade into a weapon of war was typical of their genius for prostituting education, religion, literature, art, the press, and the radio to their self-aggrandizing aims.

¹ Delivered at Hot Springs, Va., May 4, 1944. Mr. Russell is Chief of the Division of World Trade Intelligence, Department of State, and chairman of the Interdepartmental Committee on the Proclaimed List.

There thus came into existence a partnership of the political, military, and industrial factions of the German nation. Each of these elements was essential for carrying out the plan of world conquest. The Nazi party directed the nation's politics, carried on the necessary propaganda, and suppressed all opposition. The Army built up what was then the world's most powerful military machine. German industry went to work to build up a solid economic support.

German industrial enterprises like I. G. Farben were manipulated in such a manner as to obtain for the Nazi party the greatest influence beyond the borders of Germany. This single concern which I have mentioned employed an army of some 300,000 workers and had scientific research facilities employing upwards of 10,000 chemists and other trained scientists. Backed as it was by the Nazi party, it was probably unmatched in sheer economic power by any other single industrial enterprise in the world. Other German industries were similarly concentrated, or "rationalized", and backed by the party organization. The lives and business activities of German nationals and supporters abroad were organized and directed to the single purpose of Nazi world domination. Branches and subsidiaries were built up in almost all countries of the world. German export trade was pushed to the limit to obtain the much-needed foreign exchange. German firms were brought into a dominant position in important international cartels, patent pools, syndicates, and other monopolistic and restrictive arrangements so that their influence was pyramided. This program was furthered by carefully directed and unlimited bribery and, where necessary, by force or threat of force.

German foreign business representatives were encouraged to acquire local citizenship and, by carrying on their subversive activities clandestinely as "loyal citizens" of the foreign country so long as caution required, they were in a position to emerge in their true colors whenever shifting political or military conditions rendered it expedient. And on the other hand, when Germany's official relations with a foreign country were broken off, resulting in the enforced departure of the official German foreign-service representatives, the trained German business representatives re-

mained at their posts abroad and carried on the activities of the official representatives unofficially, thus enabling the Nazi regime to maintain at least some sort of contact with the foreign country from which it would otherwise be completely cut off.

German banks abroad were not mere financial institutions. They were in actuality the treasurer and financial backer of the local Nazi party. They received party contributions, supervised party expenditures, received party funds from Germany under various guises, and juggled the deposits among numerous accounts.

German firms assisted in the collection of "donations" to the Nazi party funds. These collections were frequently regulated by a compulsory quota system, sometimes 10 percent or higher of the person's or firm's income, and when the individuals were reluctant to make these contributions the Nazi organization did not hesitate to threaten retaliation upon relatives in Germany.

The work which this great foreign organization of Axis industry carried out was manifold. It included espionage, political pressure, the planning of sabotage activities, the disposition of currency and securities looted in the occupied countries, the smuggling of precious war materials to Germany, the collection and transmission of information concerning ships and ship movements and war plans of the United Nations, arrangements for secret German submarine bases, the organization of a "chain" for German intelligence to leave the United States and other Allied countries, the hiding of escaped Nazi seamen, and the maintenance of clandestine wireless stations for direct communication with Germany and the other Axis powers. The program which the world-wide network of Axis firms made possible included also the dissemination of vicious attacks against the United Nations and other types of propaganda; the magnifying of any incipient anti-Allied sentiment in the hope of swinging neutral countries into the Axis camp; the prevention of economic co-operation by neutral countries with the Allies; the subsidizing of newspapers, radio stations, and other media of propaganda; the fostering of local Nazi political and semi-military organizations which were divided into the typical blocks, sectors, and cells and were subject to the direction of a Nazi chief in the local German Embassy; the pro-

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motion of Nazi schools, Nazi labor fronts, Nazi youth, women's and athletic organizations, and other devices for promoting the Nazification of foreign communities; the fostering of native Nazi and Fascist movements; the impressing upon the neutral countries of the magnitude of German military victories and the fear of the consequences of non-cooperation; the establishment of a close liaison between the German Army and the armies of small neutral countries: these and other activities were directed at the heart of the United Nations war effort, and the defense of the Western Hemisphere. These subversive measures were carried on behind a show of ordinary business and social activity. Nearly all of the persons involved in them were able to mask their true activities through their connections with Axis commercial firms. Special concessions were given to local firms that cooperated and others were induced by threats and promises to become subservient to the Nazi organization and to take part in its program.

Now what was the goal of all this vast endeavor? The stakes, we may be sure, were at least commensurate to the effort. They were twofold: First, in those countries in Europe which were to be permitted by the Nazis to remain neutral the object was to assure the greatest possible contribution by their economy to that of Germany's. Neutral factories, mines, and banks were to be induced to contribute as largely as possible to Axis war needs. Secondly, the Axis objective in the Western Hemisphere, in addition to the one which I have just mentioned, was to bring about if possible a policy of positive cooperation by some of the other American republics with the Axis countries, or, if that was not possible, to secure a thoroughly detached neutrality on the part of these countries so that this immense area with its 120 million people and enormous resources of minerals, food, and other products, occupying a strategic military position, would be dissuaded from any cooperation with the democratic powers and would be ripe for aggression when the conquest of Europe had been completed.

This was the strategy and these were the tactics which were employed by the Axis nations in this sector of their economic warfare. It was against an attack of this nature that this Government and others against whom it was directed

had to devise adequate countermeasures.

One of the principal weapons that was used by this Government was the Proclaimed List, which was established by proclamation of the President on July 17, 1941. You will note that this was prior to Pearl Harbor. It was adopted at that time as a measure of national defense following the declaration of the existence of an unlimited national emergency by the President on May 27, 1941. The disastrous experience of the nations in Europe and Asia which had been overrun by the Axis armies had made it abundantly clear that it was suicidal to temporize further with Axis pre-military acts of penetration and aggression.

There are now included in the Proclaimed List some 15,000 persons and firms located in the 20 other American republics, the 5 neutral European countries (Spain, Portugal, Switzerland, Sweden, and Liechtenstein) and their possessions in Africa and the Far East, and 4 Near Eastern countries (Morocco, Turkey, Iran, and Iraq). It is believed that at the present time, at least in so far as the other American republics are concerned, the Proclaimed List includes all important persons or firms that have been operating on behalf of the totalitarian powers or against the security of this hemisphere. Names on the List vary from some of the largest industrial, commercial, and financial entities in the respective countries to lesser firms and persons who have been willing to assist Proclaimed List nationals in circumventing the List by cloaking. It has been the policy of the Proclaimed List authorities to strike wherever they found the Axis at work—at manufacturers and dealers in drugs, electrical goods, hardware, chemicals, banks, insurance companies, railroads, mines—in fact firms in every field of activity upon which the Axis drew for support. The List includes Axis-subsidized newspapers, radio stations, and motion-picture houses. This Government has scrupulously avoided infringing upon freedom of expression in other countries, but when newspapers and other media of expression cease to be free media of expression and become merely instruments of propaganda subsidized by the Axis governments, listing action is taken in order to deprive them of newsprint and necessary equipment.

The inclusion of a name in the Proclaimed List immediately sets in motion the entire machinery of United States economic-warfare sanctions. The Treasury Department freezes all assets a firm may possess in this country, and all movements of funds of such firms in any of our 15,000 banks are stopped. The Foreign Economic Administration denies export licenses and other economic facilities to listed firms. Customs officials are notified to intercept goods on dock or in transit. Any American concerns who are known to have contractual relations with a Proclaimed List national are advised of the listing action by the Department of Commerce. The Office of Censorship monitors all communications relating to listed firms. They are, in brief, denied all trade and facilities which this Government is in a position to control, a substantial penalty under the conditions of wartime international trade.

The Proclaimed List has an effectiveness, however, far beyond that which results from these sanctions. Listing also results in invoking all of the sanctions of the European blockade, and the Proclaimed List is also, as I shall point out shortly, the basis of many controls which are enforced by other governments. Beyond that it has received the support of the business community and general public in countries where the firms are located, so that persons and firms on the Proclaimed List are regarded in their communities as enemies of the democratic cause and are the object of business and social ostracism. And the overhanging threat of the possible application of all these sanctions has had the effect of preventing many thousands of persons and firms from engaging in unfriendly activities who might otherwise have succumbed to the threats or blandishments of the Axis.

The Axis governments have adopted a multitude of stratagems and have drawn upon all of their organizational facilities to combat the effectiveness of the Proclaimed List and to save something of their economic basis of subversive activities in South America. Cloaking-rings were established, spurious transfers of ownership were made, and political pressure, threats of retaliation, and promises of post-war privileges in the event of an Axis victory were resorted to. Nevertheless, the result has been that the vast majority of the 10,000 or more firms or persons on the Proclaimed List

in the other American republics have been neutralized as far as contributing to the Axis cause is concerned. Many of them have been completely eliminated from business, others have been satisfactorily reorganized or have given undertakings of future good conduct, others have been placed under governmental surveillance or have otherwise been reduced to impotence. It should be borne in mind that it has not been our objective to eliminate completely from economic activity all persons and firms on the Proclaimed List. That has been our objective with respect to the Axis spearhead firms, such firms as I. G. Farben, Ferrostahl, Tubos Mannesmann, Mitsui and Mitsubishi, Siemens Schuckert, and other Axis concerns that were part and parcel of the Axis war-machine. The great majority of these and other spearhead firms have been put out of business in the countries of this hemisphere with, of course, the notable exception of one country.

In the neutral countries of Europe all available sanctions have been used to prevent so far as possible a substantial utilization by the Nazi war-machine of the productive resources and other facilities located in those countries. The threat of listing has had an increasingly potent effect, and the results of this program in depriving the Axis of goods and facilities which they might otherwise have received have been very considerable. Not only has it tended to sustain the full effect of our bombing of German factories, since many neutral factories have been unwilling to incur the danger of our sanctions by helping the Germans to make up their loss in production through purchases in neutral countries, but it has deprived the Axis of many of the raw materials which they had to import from neutral countries in order to keep their factories running and has brought home to the Germans in many ways the fact that the noose of economic strangulation was being drawn tighter and tighter.

Because of the rigorous consequences that result to persons and firms included in the Proclaimed List, this Government has taken steps to assure that so far as possible these consequences fall solely on persons or firms who are identified with or have given assistance to the Axis. It has endeavored to be scrupulously careful and fair in reaching decisions on the inclusion or removal of names on

the Proclaimed List. Under the President's proclamation of July 17, 1941, establishing the Proclaimed List, no name may be added to or removed from the List without the unanimous approval of six governmental departments and agencies: the Department of State, the Treasury Department, the Department of Justice, the Department of Commerce, the Foreign Economic Administration, and the Coordinator of Inter-American Affairs. Every case is considered by these agencies on the basis of all available information, and no action is taken on any case unless the reliability of the information has been vouched for by an official agency of this Government. Full reports with respect to every name are furnished to the Inter-departmental Committee on the Proclaimed List by the Division of World Trade Intelligence of the State Department, which draws upon the Foreign Service and many other sources for its files relating to some 500,000 firms and persons in foreign countries.

The authorities charged with the administration of the Proclaimed List have borne in mind that the List is not, of course, an end in itself. It has been but one of the weapons for hitting at the might and power of the Axis. It has been used whenever that end would be served; it has not been used when other courses of action would contribute more effectively to the fight against the Axis; and it has not been used for any other purpose than the winning of the war. This means that in rare cases, for instance, where the neutral subsidiaries of firms having their main houses in enemy territory could be removed from enemy control and were willing to cooperate by making their resources and facilities available to the Allies, thus depriving the Axis of them, this Government has, under proper controls, accepted those benefits and has not insisted on making the resources of the firm available to the Axis camp. It also means that the Proclaimed List authorities have been scrupulously intent on not permitting the List to be used under any circumstances to promote the commercial interests of this country or to enforce any policies of this Government that were not connected with the war effort. It has been recognized that to do so would weaken the prestige of the List and greatly lessen its effectiveness as an instrument of war.

No persons have been included in the Proclaimed List merely because of their nationality or extraction. Inclusion in the List is based exclusively upon evidence of enemy control, participation in Axis activities, Nazi party affiliation, contribution to Axis funds, distribution of propaganda, participation in evasion of Allied controls, and other specific inimical activities. It has been recognized that there are persons of Italian and German nationality or extraction in the countries to which the Proclaimed List applies who have consistently and sincerely refused to have anything whatsoever to do with pro-Axis elements or activities. These people have had nothing to fear from the Proclaimed List. On the other hand, there have been persons and firms who while not themselves directly identified with Axis subversive activities nevertheless contributed to the support of such activities by acting as "cloaks" for pro-Axis persons and firms in effecting commercial and financial transactions. With regard to such persons this Government, pursuant to its fixed policy of non-intervention in the internal affairs of other countries, has scrupulously respected the right of such persons to deal with whomever they choose, but it has in turn exercised its right to determine whether under the existing conditions it could permit its own citizens to trade with persons and firms abroad who, for their own reasons, chose to traffic with and thereby assist our enemies in their avowed purpose of destroying this nation and its democratic principles. It has gone on the principle that a nation which respects the rights of others because it respects its own responsibilities and rights cannot permit its own trade to jeopardize indirectly the victory which it is at the same time asking its citizens to achieve with their very lives.

The Proclaimed List authorities have, moreover, been quick to correct the few inevitable mistakes which occur in an operation such as the Proclaimed List. They have been ready and anxious to reconsider any case where the reasons which led to inclusion in the Proclaimed List have been sincerely and effectively corrected or eliminated by the persons or firms concerned. It is a matter of considerable satisfaction that in the great majority of cases which have been removed from the List the action was based on appropriate correc-

tive measures taken by the firms or the government involved.

But the Proclaimed List, effective as it has been, could not alone have achieved the whole goal of eliminating or neutralizing Axis economic penetration in the Western Hemisphere. This end has been substantially achieved because the Proclaimed List has been used in unison with other measures. The agencies charged with the maintenance of the Proclaimed List have acted in close cooperation with the British authorities in charge of the British Statutory List so that the Axis firms have not been able to play one of us against the other although they have frequently tried to do so.

Another great weapon that has been used in combating the economic war-machine, in so far as its operations in the Western Hemisphere are concerned, has been the structure of local controls which have been enacted and applied by most of the other American republics carrying out the resolutions and recommendations agreed upon by all of the American republics at several inter-American conferences. The principal conferences which dealt with this problem were the meeting of the Ministers of Foreign Affairs of the American republics at Habana in July 1940; another meeting at Rio de Janeiro in January 1942; and the Inter-American Conference on Systems of Economic and Financial Controls at Washington in July 1942.

These conferences recommended the immediate adoption by all of the American republics of any measures necessary to break off all commercial and financial intercourse with the Axis nations and to eliminate through vesting, forced sale, liquidation, intervention, blocking, or other controls all other financial and commercial activities prejudicial to the security of the American countries.

In most of the other American republics, controls pursuant to these resolutions have been enacted and put into effect. As a result, Axis drug, metal and electrical houses, coffee and quinine *fincas*, Axis-controlled railroads, airways, banks, insurance, chemical, and other companies, and many hundreds of other Nazi, Fascist, and Japanese business enterprises that were supporting the Axis cause have been completely eliminated or re-

organized or placed under such controls that they can no longer assist the enemy.

In the case of those countries that have carried out the resolutions of the Rio and Washington conferences the controls which have been established have in most cases been coordinated with this Government's Proclaimed List. As the combined effect of the Proclaimed List controls and the local governmental controls has operated to eliminate or place in satisfactory hands firms that were on the Proclaimed List, such names have been deleted. Thus local firms that have been satisfactorily reorganized, subjected to intervention or other surveillance, or which have given satisfactory undertakings to this Government or to the local government have been restored to participation in the local economy. In this way it has been possible to give full recognition both to our war objectives of combating the Axis war-machine in all of its manifestations and also to local economic needs. Where the results of listing have denied to a country the services of an essential firm this Government has been active in taking steps to assure a meeting of local economic needs in so far as possible from United States or other available friendly sources. This system of consultation and reciprocal collaboration has been an outstanding example of inter-American cooperation.

It has apparently been assumed by some of the firms that have cooperated with the Axis that the Proclaimed List and the sanctions which are based upon it will terminate with the cessation of hostilities in Europe and that listed firms and individuals will then be restored to normal trade facilities. There is no basis for such an assumption. It need not be stated that this Government does not consider the Proclaimed List as an appropriate part of the type of normal peacetime trade policies which it hopes eventually will be established. It is clear, however, that there will inevitably be a transition period from war to peacetime conditions and that the List cannot be withdrawn upon the termination of armed conflict. In view of the total character of the present conflict and its vast impact upon commerce it will necessarily take time to effect adjustments of economic-warfare controls. Such adjustments will be carried out with regard to specific circumstances. The problem of eliminating economic-

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warfare controls, and in particular the Proclaimed List, is believed in general to be capable of prompt solution in regions far removed from the scene of conflict where the spearheads of Axis aggression have been eliminated. The withdrawal of such controls may be expected to be slower with respect to areas adjacent to the scene of conflict and particularly with respect to nationals of, or residents in, neutral countries who have engaged, or who may engage, actively in equipping or servicing the military machine of the enemy—which the Allied governments are determined to destroy—or who have rendered other important aid to the enemy.

What I have said has necessarily been in the nature of a very general outline. It has not been possible to give you very much of the color of this phase of the war effort nor to describe any of the multitude of individual battles that have been fought. It will be clear, however, that the enemy has been fairly effectively dealt with in one more sector of the war. It will have been clear also that this success has been due to a cooperative effort which has received the participation not only of the various interested departments of this Government and of American business but of the British Government and our other Allies, the governments of virtually all of the other American republics, and of pro-democratic businessmen and people generally in widely scattered sections of the world.

PETROLEUM QUESTIONS

Conclusion of Discussions With the United Kingdom

[Released to the press May 3]

The preliminary exploratory discussions on petroleum between groups of experts representing the Governments of the United States and the United Kingdom, which began in Washington on April 18, were concluded in a joint session held on May 3.

In a spirit of understanding and cooperation the two groups explored the full range of both countries' interest in petroleum on the basis of broad principles looking to the orderly long-range development of abundant oil supplies. The

two groups are now reporting the results of these discussions to their Governments.

After the full discussion of broad principles the two groups reviewed various specific matters of mutual interest relating to the production, distribution, and transportation of oil. These specific matters included pending problems affecting the oil operations abroad of the American and British oil industry; questions relating to oil production, particularly in the Middle East; the proposed trans-Arabian pipeline; and the Iraq Petroleum Company's project for an additional pipeline from Kirkuk, Iraq, to Haifa. The groups shared the view that the peacetime intergovernmental aspects of such matters should be resolved, as between the two Governments, within the framework of the broad principles which had been discussed.

In issuing the foregoing announcement, which also is being made in London, it is pointed out that the United States group was composed of representatives of the Departments of State, War, and Navy and the Petroleum Administration for War. Ten officials of the American oil industry were invited to present their views in connection with the discussions.¹ Three of these officials, Mr. John A. Brown, Mr. W. S. S. Rodgers, and Mr. A. Jacobsen, attended the discussions as advisers to the United States group of experts.²

The report of the United States group of experts will be considered by the Cabinet committee appointed by the President for that purpose of which Secretary Hull is Chairman. On March 7, 1944 the State Department announced³ that, in addition to Secretary Hull, this committee consisted of Secretary Ickes, Vice Chairman; Acting Secretary of the Navy Forrestal; Under Secretary of War Patterson; Mr. Charles E. Wilson, Vice Chairman of the War Production Board; and Mr. Charles Rayner, Petroleum Adviser, Department of State. Since that time Mr. Leo Crowley, Director of the Foreign Economic Administration, and Mr. Ralph K. Davies, Deputy Petroleum Administrator for War, have been included on this committee.

¹ BULLETIN of Apr. 15, 1944, p. 346.

² BULLETIN of Apr. 22, 1944, p. 372.

³ BULLETIN of Mar. 11, 1944, p. 238.

AGREEMENT WITH SPAIN ON CERTAIN OUTSTANDING ISSUES

[Released to the press May 2]

After a protracted period of negotiation with the Spanish Government, the American and British Governments have received assurances from the Spanish Government which permit a settlement of certain outstanding issues.

The Spanish Government has agreed to expel designated Axis agents from Tangier, the Spanish Zone in North Africa, and from the Spanish mainland. It has agreed to the closing of the German Consulate and other Axis agencies in Tangier. It has agreed to the release of certain Italian commercial ships now interned in Spanish waters and to the submission to arbitration of the question of releasing Italian warships likewise interned in Spanish waters. It has withdrawn all Spanish military forces from the eastern front. It has maintained a complete embargo on exports of wolfram since February 1, 1944, at which time bulk petroleum shipments were suspended, and has now agreed for the remainder of the year to impose a drastic curtailment of wolfram exports to Germany.

One of our objectives in these negotiations was to continue to deprive Germany of Spanish wolfram. Although agreement was reached on a basis less than a total embargo of wolfram shipments, this action was taken to obtain immediate settlement on the urgent request of the British Government. Under the curtailed program not more than 20 tons of wolfram may be exported to Germany from Spain in each of the months May and June. Thereafter for the remainder of the year, if as a practical matter they can be made, exports may not exceed 40 tons per month. It is improbable that any of this can be utilized in military products during this year.

In view of the foregoing negotiations, permission will now be given for the renewal of bulk petroleum loadings by Spanish tankers in the Caribbean and the lifting from the United States ports of minor quantities of packaged petroleum products in accordance with the controlled program in operation prior to the suspension of such loadings.

THE PROCLAIMED LIST: CUMULATIVE SUPPLEMENT 2 TO REVISION VII

[Released to the press May 6]

The Secretary of State, acting in conjunction with the Acting Secretary of the Treasury, the Attorney General, the Secretary of Commerce, the Administrator of the Foreign Economic Administration, and the Coordinator of Inter-American Affairs, issued on May 6, 1944 Cumulative Supplement 2 to Revision VII of the Proclaimed List of Certain Blocked Nationals, promulgated March 23, 1944.

Part I of Cumulative Supplement 2 contains 33 additional listings in the other American republics and 103 deletions. Part II contains 93 additional listings outside the American republics and 18 deletions.

With the issuance of this Supplement the Proclaimed List of Certain Blocked Nationals has been extended to include certain cases in Ireland (Éire).

NATIONAL ANNIVERSARY OF POLAND

[Released to the press May 2]

The text of a telegram sent by the President of the United States to His Excellency Wladyslaw Raczkiewicz, President of Poland, upon the occasion of the national anniversary of Poland, follows:

MAY 3, 1944.

On the occasion of the National Anniversary of Poland, I take great pleasure in sending to the Polish people through you my greetings and best wishes in which I am joined by the people of the United States. It is fitting to recall in this fateful fifth year of the war that it was Poland who first defied the Nazi hordes. The continued resistance of the Polish people against their Nazi oppressors is an inspiration to all. The relentless struggle being carried on by the United Nations will hasten victory and the liberation of all freedom loving peoples.

FRANKLIN D ROOSEVELT

EXCHANGE OF AMERICAN AND GERMAN NATIONALS

[Released to the press May 11]

The Department of State and the War Department announced on May 1 that the motorship *Gripsholm* is expected to leave New York on or about May 2 to carry out a further exchange with Germany of seriously sick and seriously wounded prisoners of war who are found to be entitled to repatriation under the terms of the Geneva Prisoners of War Convention, and of surplus protected personnel entitled to repatriation under the terms of the Geneva Red Cross Convention. It has been agreed the repatriables of each side will be exchanged at Barcelona on or about May 17. The Spanish Government has been asked to cooperate by lending its facilities for the exchange. The *Gripsholm* is expected to return to New York in early June with American repatriates. The vessel will travel both ways under safe-conducts of all belligerents.

The names of the prospective American repatriates are not yet known, and it will not be possible to determine their identity until after the *Gripsholm* has sailed from Barcelona. Every effort will be made to dispatch notification to the

next of kin at the earliest moment after the identity of each repatriate has been established beyond possibility of doubt.

STATUS OF COUNTRIES IN RELATION TO THE WAR, APRIL 22, 1944

Corrigenda

BULLETIN OF APRIL 22, 1944:

Page 375: Under the box heading "France", insert opposite Italy in place of the leaders the following:

WAR-1
6/11/40

Under the box heading "Japan", take out the parentheses around the date opposite Guatemala. It should read "12/9/41".

Page 379: In table II under "Adherents" change the date in the second column opposite Philippines from "June 10, 1943" to "June 10, 1942"; in the last column opposite Iraq change the date from "Apr. 10, 1944" to "Apr. 10, 1943" and that opposite Mexico from "June 10, 1942" to "June 14, 1942".

Page 380: The last three words in the footnote should read "(see table II)".

International Conferences, Commissions, Etc.

CONFERENCE OF ALLIED MINISTERS OF EDUCATION IN LONDON

[Released to the press May 3]

The Secretary of State announced on May 3 that Congressman J. William Fulbright, chairman of the American Delegation to the Conference of Allied Ministers of Education in London, has returned to this country with three other members—the Honorable Archibald MacLeish, Librarian of Congress; John W. Studebaker, United States Commissioner of Education; and Dean C. Mildred Thompson of Vassar College. The delegation has been at work in London for the past month.

"The discussions of the delegation with representatives of other nations", Congressman Ful-

bright stated, "were based on the proposition that free and unrestricted interchange between the peoples of the world of ideas and knowledge and unrestricted education are essential to the preservation of security and peace."

The delegation brought back an encouraging report of progress being made by the interested nations toward a cooperative approach to the re-establishment of essential educational and cultural facilities upon an emergency basis.

The discussions of the Conference, the members of the delegation reported, made clear the threat to civilization created by the cold-blooded and considered destruction by the Axis of the edu-

cational and cultural resources of great parts of the continents of Europe and Asia; the murder of teachers, artists, scientists, and intellectual leaders; the burning of books; the pillaging and mutilation of works of art; the rifling of archives; and the theft of scientific apparatus.

The American delegation collaborated with the Conference on two main tasks: First, in drafting a tentative plan for a United Nations agency for educational and cultural reconstruction; and secondly, in ascertaining the essential emergency needs of the war-devastated Allied countries to reestablish educational services.

The tentative plan for a United Nations agency for educational and cultural reconstruction was formulated at open meetings presided over by Congressman Fulbright and was then accepted by the Conference for informal submission to the United Nations and Associated Nations for study and comment.

The tentative plan brought back by the delegation will be studied by the interested agencies of this Government and be made the subject of discussions with members of Congress for the purpose of furnishing the Conference with the views of the United States Government concerning the proposed United Nations agency.

Two members of the delegation, Dr. Grayson N. Kefauver and Dr. Ralph E. Turner, both of the Department of State, are continuing in London to complete the gathering of full factual information regarding emergency basic needs for reestablishing essential educational and cultural facilities in Allied liberated areas.

The progress made at the London meeting is another important step in the direction of laying the foundations for international cooperation in the future.

The following memorandum was issued to the press on April 20, 1944 by the Secretariat of the Conference of Ministers of Education of Allied Governments:

"A tentative draft constitution for a United Nations Organization for Educational and Cultural Reconstruction was accepted by the Conference of Allied Ministers of Education yesterday, 19th April. It will be forwarded to the Allied and Associated Governments, and if adopted by

them it will permit joint efforts in this field in line with parallel work already being developed by the Food Conference and UNRRA. General acceptance of the creation of an international organization to undertake cooperatively the vitally important work of restoring the educational and cultural heritages of war-torn countries would carry the United Nations past another important station on the road toward lasting peace.

"The wisdom of building an international structure piece by piece on sound foundations is recognized clearly today. The projected Organization for Educational and Cultural Reconstruction would direct its activities at first to the emergency work of restoring the educational systems and the cultural institutions destroyed by the Axis powers. It is believed that the projected organization would gain experience in performing these emergency tasks which would create a basis for lasting international cooperation in educational and cultural fields.

"The proposed constitution was drafted at two Open Meetings convened by the Conference of Allied Ministers of Education and the American Education Delegation, headed by Congressman Fulbright, which came to London early this month to work out plans for American collaboration with the Conference. The meetings were attended by representatives of all member and observer states currently interested in the Conference and were presided over by Congressman Fulbright. The device of holding Open Meetings enabled all representatives present to participate fully, equally, and without prejudice to their positions in the Conference. The Constitution is both broad enough and flexible enough to enable the projected organization to deal vigorously and successfully with the problems of educational and cultural reconstruction.

"The need for the proposed organization is stated in the Preamble of the proposed Constitution which says in part: 'To deprive any part of the interdependent modern world of the cultural resources, human and material, through which its children are trained and its people informed, is to destroy to that extent the common knowledge and the mutual understanding upon which the peace of the world and its security must rest.'

"The text of the tentative draft Constitution consists of seven sections. The first contains a statement of the underlying reasons why international cooperation in educational reconstruction should be attempted.

"The second defines the functions of the projected organization in terms which should permit it to work effectively in the fields of educational and cultural rehabilitation and reconstruction and to develop ultimately into a permanent body with broader activities.

"Section three declares that membership shall be open to all the United Nations and Associated Nations and to such other nations as shall be accepted by the Assembly, upon application thereto, after the cessation of hostilities with the Axis.

"Section four, which lists the agencies of the proposed organization, provides for an Assembly with equal representation and votes for all member states, and Executive Board to be elected by the Assembly and an International Secretariat.

"The fifth, or financial section, states that administrative expenses shall be shared by the member nations on a basis to be agreed by the Assembly. It also provides for the creation of an Emergency Rehabilitation Fund controlled by an Emergency Rehabilitation Fund Committee. National contributions to the Rehabilitation Fund will be fixed by the Committee subject to the approval of each contributing nation, and the Committee will also make allocations from the Fund. The Committee will consist of representatives of the three States making the largest contributions for administrative expenses and three members elected by the Executive Board.

"Section six contains provisions relating to ratification, amendment, and interpretation which follow closely those in the statutes of other international bodies.

"Section seven contains provisions requiring member nations to supply information about education and cultural matters, defining the legal status of the organization and its staff, providing for cooperation between the organization and existing international organizations in the educational and cultural fields, and governing the relationship of the organization to any agency for coordinating public international organizations."

FIRST CONFERENCE OF COMMISSIONS OF INTER-AMERICAN DEVELOPMENT

[Released to the press by the Inter-American Development Commission May 2]

The program for the First Conference of Commissions of Inter-American Development, to be held in New York May 9 to 18, was announced May 2 by Nelson A. Rockefeller, chairman of the Inter-American Development Commission.

The Conference will bring to the United States many prominent businessmen from the other American republics for discussion of measures for further development of the natural resources of the Americas.

The Inter-American Development Commission and the 21 commissions in the American republics were organized under government sponsorship, with membership consisting of businessmen representative of commerce, industry, and finance. They are channels for collaboration between government and business in economic development. Established in wartime, the commissions have aided the mobilization of hemisphere economic resources for the war effort.

The agenda of the Conference is organized under two sections: (1) Economic Development and Investments and (2) International Trade and Transportation. Specific topics of the agenda follow:

SECTION I. ECONOMIC DEVELOPMENT AND INVESTMENTS

Subjects: Analysis of the pertinent parts of reports presented by the national commissions and discussions of the following subjects so far as they pertain to a consideration of the basic objective above: Full utilization of natural resources, economic stability, currency stabilization, establishment of new industries, instruments for economic development, technical assistance, levels of living, debt services, credit facilities, equitable credit terms, equality of treatment of foreign investments, taxation, methods of investment, government operations, and private enterprises.

SECTION II. INTERNATIONAL TRADE AND TRANSPORTATION

Subjects: Analysis of the pertinent parts of the reports presented by the national commissions and discussion of the following subjects so far as they pertain to a consideration of the basic objectives above: Trade barriers (tariffs, quotas, exchange control, export taxes, State trading), customs unions and preferences, commodity policies (international agreements, subsidies), monopolies and cartels, transportation facilities and services, rate policies, equality in protection from risks, national merchant marines, and tourist trade.

American Republics

FELLOWSHIPS IN PUBLIC ADMINISTRATION FOR REPRESENTATIVES FROM THE OTHER AMERICAN REPUBLICS

The Director of the Bureau of the Budget has issued, pursuant to statutory authority and official recommendations and subject to appropriations available, regulations with respect to fellowships in public administration which will be awarded to qualified applicants from the other American republics. The fellowships, which will be awarded by the Director of the Bureau of the Budget with the approval of the Secretary of State, will be of the intern-training and training-in-research type and may include advance university instruction at colleges and universities and practical training and observation in Government departments and agencies. Each application shall be transmitted to the Secretary of State by the government of the American republic of which the applicant is a citizen through the American diplomatic mission accredited to that government.

Each applicant awarded a fellowship may be granted, upon the recommendation of the Director of the Bureau of the Budget, monthly allowances for quarters and subsistence during the entire period spent in the United States, or its territories or possessions; certain transportation expenses; a *per diem* in lieu of subsistence while in travel status (except that no *per diem* will be

allowed concurrently with monthly allowances); and other expenses. Each applicant shall submit written reports of progress in studies and research at such intervals as the Director of the Bureau of the Budget may direct.

Fellowships may be awarded for periods not exceeding 12 months of actual study and research and may be extended for not exceeding the same periods. Fellowships may be canceled for cause by the Director of the Bureau of the Budget, with the approval of the Secretary of State.

The full text of the regulations appears in the *Federal Register* of May 6, 1944, page 4799.

VISIT OF COLOMBIAN MUSEUM DIRECTOR

Señorita Teresa Cuervo Borda, Director of Casa Colonial, the national museum of colonial art and history at Bogotá, Colombia, has arrived in Washington as a guest of the Department of State. She plans to visit not only archives, libraries, and museums in the national capital and other areas of the United States but also to observe what has been done in such colonial restorations as those at Williamsburg, Virginia, for the Casa Colonial, in addition to being a national museum, is a masterpiece of the restoration of an early Spanish colonial house.

Near East

BIRTHDAY OF THE KING OF IRAQ

[Released to the press May 2]

The President has sent the following message to His Highness Prince Abdul Ilah, Regent of the Kingdom of Iraq, on the occasion of the birthday of the King of Iraq:

MAY 2, 1944.

It gives me great pleasure to express to His Majesty King Faisal II my sincere good wishes on this anniversary of his birth and to convey to the people of Iraq the greetings of the people of the United States on this happy occasion.

FRANKLIN D. ROOSEVELT

The Department

PRINCIPLES AND POLICIES OF DEPARTMENTAL PERSONNEL ADMINISTRATION

Departmental Order 1272 of May 3, 1944¹

Purpose and Authority. The purpose of the present order, issued under R.S. 161 (5 U.S.C. 22), is to set forth the principles and policies which are to govern the inauguration of the new personnel program under Departmental Order 1218 as amended.

The Department of State exists to serve the public interest within the framework established by the Constitution, by statute, and by regulation. The Department has the major responsibility, under the President, for determining the foreign policy of the United States Government and for conducting its foreign relations.

The observance of the principles and policies outlined herein is fundamental to fulfilling the Department's responsibilities. The best interests of all will be served by the improvement of Departmental standards for discharging these responsibilities and by giving due recognition to each employee's effort.

Since it is the practice of the Department to call in Foreign Service officers to supplement the regular staff of the Department, it is incumbent upon these officers, while on duty in the Department, to subscribe to the principles and policies outlined below.

FUNDAMENTAL PRINCIPLES

1. The Department recognizes as a fundamental requirement of effective operation, the need for and the importance of establishing and maintaining mutually satisfactory and effective working relationships among all employees. The Department realizes that its responsibilities will be performed most ably if all its employees understand the importance of their work and identify themselves with it. It is the responsibility of each administrative official to organize his work so

that every member of his staff will feel the challenge of contributing to his full capacity in the task to be done.

2. It is the primary objective of the Department's program of personnel administration to recruit, develop, and maintain a staff of qualified, efficient, and well-adjusted workers and to encourage the maximum use of their skills and abilities. This may be accomplished principally through the proper selection, placement, upgrading, supervision, training, and remuneration of employees and through the maintenance of proper working conditions.

3. The Department recognizes that the individual employee's rights and interests with reference to his position are based upon his ability and performance without discrimination or prejudice. He is entitled to fair treatment by his supervisors, equitable compensation for his services, and deserved consideration for his advancement within the Department.

4. The Department intends to create and maintain an environment for work which will encourage employees to grow and foster a high degree of effort and productivity. It is essential that all officials in administrative or supervisory positions clearly understand and apply the major principles and policies of departmental personnel administration in the interest of high morale.

POLICIES

1. *Appointment.* The Department selects its staff on the basis of merit, without discrimination. The selection of candidates is based on the requirements of the position, ability, skill, training, experience, character, and physical fitness. All appointments are made in accordance with applicable Civil Service laws and regulations.

2. *Placement and Transfer.* (a) Employees are placed in positions for which they are equipped

¹ Effective May 3, 1944.

by experience, training, and physical fitness. Physical fitness is considered an important factor in the selection of each employee. It is the aim of the Department to make the best possible use of the skills and abilities of employees at all levels. If the initial placement does not engage the full capacities of employees, consistent with the Department's requirements and efficiency, steps will be taken to transfer them to positions more commensurate with their capacities. Administrative and supervisory personnel have a responsibility to assist in making such adjustments.

(b) It will be the policy to make inter-division transfers wherever necessary in the best interest of the Department's work. In order to avoid dislocation in operations within the division concerned, it is the obligation of each supervisor so to train employees and organize the flow of his work as to facilitate the release of efficient employees for upgrading elsewhere in the Department.

3. *Promotion From Within.* (a) In order to encourage the development of careers in the Department, the policy of promotion from within will be observed. Promotions are made on the basis of competency on the present job and ability to assume and discharge efficiently greater responsibilities. Ability of the individual to work harmoniously and effectively with fellow employees and to contribute to the improvement of methods and procedures, are factors in advancement to more responsible duties. Each administrator and supervisor should be alert to and should assist in the development of a high degree of efficiency in the employees whose work he directs.

(b) In filling vacancies, consideration will be given first to proficient employees within the immediate section, then within the division, and, finally elsewhere within the Department. If other considerations are equal, length of service may be a determining factor in promotions. If qualified employees are not available, the Department will make appointments from outside when it is deemed to be in its best interest.

(c) It is the intention of the Department to recognize the efforts of its employees to raise their qualifications for service. It is incumbent upon every employee to inform his supervisor and the Division of Departmental Personnel of addi-

tional qualifications acquired through study or other means of self-development. Adequate records of experience, training, and performance will be maintained for each employee as a method of carrying out this policy.

4. *Classification of Positions.* It is the policy of the Department to make equitable payment for the work performed. This means that positions will be properly classified and graded on the basis of duties and responsibilities, in accordance with the provisions of the Classification Act of 1923 as amended.

5. *Service Ratings.* Service ratings for all Federal employees are prescribed by law. The development of sound standards of performance is an inherent part of each supervisor's responsibility, and he is called upon to appraise objectively and continuously the individual performance of his subordinates on the basis of such standards. This appraisal is one of the factors in determining the advancement or retention of employees and provides the basis for promotion under the Mead-Ramspeck Act of August 1, 1941.

6. *Overtime.* (a) It is the policy of the Department to perform its day-to-day functions within the prescribed work-week, and supervisors have the responsibility to organize their work so that this policy may be observed. Voluntary overtime of employees in order to meet abnormal pressures of work will be considered by the Department as a factor in giving due recognition for service.

(b) When emergencies require the Department to direct employees to work beyond the normal work day, they shall be duly compensated. Overtime compensation for such work may be given, or compensatory leave in lieu thereof.

7. *Leave.* The Department favors the intelligent use of annual leave for the purpose of rest, recreation, and recuperation as a benefit to both the employee and the Department. The period of continuous leave must be determined as a matter of administrative discretion, in the light of the urgency of the work of the employee.

8. *Separations.* (a) Continued employment by the Department requires that employees render honest, efficient, and loyal service. It is the policy of the Department to terminate appointments when such separation will promote the efficiency

of the service. This will be done in accordance with Civil Service procedure. Employees whose appointments must be terminated for any cause whatsoever will be accorded a fair hearing by the Department under procedures already in effect. They will also be informed of their right to appeal to the Civil Service Commission and, at the discretion of the Commission, to have their names placed on reemployment lists.

(b) When a reduction of force is necessary, employees will be retained on the basis of merit, with due allowance for length of service and other considerations prescribed by Civil Service regulations. Since service ratings are the criteria of merit, the Department expects all supervisors to make accurate evaluations of employees.

9. *Training.* The Department considers it a responsibility of management to train the staff as a means of increasing efficiency. It is a major responsibility of every supervisor to see that each employee under his supervision is instructed in his duties and in the best methods of performing them. The Department will assist employees to attain the required level of performance through training programs administered within a division or, where circumstances warrant, on a Department-wide basis. Such programs are designed to improve work practices and processes at all levels.

10. *Supervisory-Employee Conferences.* The Department recognizes that frequent consultations between employees and their supervisors are essential to good working relationships. All supervisors will be encouraged to develop a program of supervisory-employee conferences and to acquire the technique of securing group participation through the conference method. These conferences will provide a medium for the exchange of information and constructive ideas and for the development of leadership among employees. When properly conducted, they will contribute to the development of high morale and to the stimulation of a growing interest in the Department's methods of operation.

11. *Employee Suggestions.* It will be the policy of the Department to encourage suggestions for improving the policies, the methods and procedures, the working conditions, and other phases of employment. Employees should feel free to

make suggestions to their immediate supervisors or to higher officials of the Department. The effective carrying out of the Department's responsibilities requires full employee participation in the conduct of its affairs. An employee-suggestion system will be established, by means of which employee suggestions will be given proper consideration.

12. *Counseling.* The Department will provide an adequate and competent counseling service for its employees. This service will assist individual employees to solve the problems arising in their work and employment relations, as well as those of a more personal character.

13. *Grievances.* The Department will see that all employees are fairly treated in every respect. To this end supervisors are encouraged to use every available means to aid in solving the problems of their employees. Where an adjustment between supervisor and employee does not seem possible, the Counseling Service is available for consultation and guidance. If the problem cannot be satisfactorily adjusted through these channels, employees may avail themselves of the procedure established by the Department for the hearing of grievances. Employees are assured complete freedom in presenting grievances, without fear of reprisal or discrimination. The Department emphasizes the responsibility of all officials to cooperate in the observance of this policy.

14. *Health and Safety.* The Department will provide an adequate program for the health and safety of its employees. The purpose of this program will be to maintain the health and well-being of every employee, which will automatically increase efficiency and productivity, thus reducing absenteeism. In addition to first-aid care for the sick and injured the program will cover such matters as personal hygiene, nutrition, safe and sanitary working conditions, and related subjects.

15. *Employee Organizations.* Organizations of government employees have a logical place in government affairs. The Department subscribes to the belief that its employees have a right to join or refrain from joining employee organizations. Any choice made in this matter will be without interference, coercion, restraint, fear of discrimination or reprisal.

16. *Employee Services.* The Department realizes that the personal adjustment of its employees to life in the community has an important bearing on their attitude toward their work and the satisfaction they derive therefrom. Employees may be assisted in becoming happily integrated into the community through help regarding housing, transportation, financial matters, health, recreation, and other individual interests. Staff members will cooperate with employees in organizing and promoting cultural, recreational, and educational activities.

17. *Supervisory Responsibilities.* (a) The Department believes that high morale among its employees is fundamental to the successful carrying out of its functions. Supervisors are key people in the Department and the creation and maintenance of high morale in their units is their immediate responsibility. The methods of organizing and administering their work should include continuous instruction of the employees in the techniques of their work, enlistment of their interest in proficiency, and recognition of their wholehearted endeavor.

(b) It will be the policy of the Department to instruct supervisors in the proper application of these principles and policies.

The Division of Departmental Personnel has the responsibility for assisting operating officials in the establishment and maintenance of a progressive personnel program designed to stimulate employees so that their efforts will result in satisfaction to themselves, credit to the Department, and benefit to the nation.

CORDELL HULL

PROTECTION AND PROMOTION OF AMERICAN COMMERCIAL AND AGRICULTURAL INTERESTS IN FOREIGN COUNTRIES

Departmental Order 1264 of April 28, 1944¹

Mr. Homer S. Fox is hereby designated Consultant on Foreign Trade Protection and Promotion in the Division of Commercial Policy.

¹ Effective Apr. 28, 1944.

² *Press Releases*, May 13, 1939, p. 395.

The Consultant on Foreign Trade Protection and Promotion shall have responsibility for developing plans and advising the Chief of the Division of Commercial Policy with respect to the protection and promotion of American commercial and agricultural interests in foreign countries and under the general supervision of the Chief of the Division of Commercial Policy, for the execution of the functions relative to the protection and promotion of American commercial and agricultural interests abroad, which were transferred to the Department of State by Reorganization Plan No. II,² and responsibility with respect to which was placed in the Division of Commercial Policy by Departmental Order 1218 of January 15, 1944.

CORDELL HULL

APPOINTMENT OF OFFICERS

By Departmental Order 1265 of May 1, 1944, effective May 1, 1944, the Secretary of State designated Mr. Stanley K. Hornbeck as Special Assistant to the Secretary.

By Departmental Order 1266 of May 1, 1944, effective May 1, 1944, the Secretary of State designated Mr. Joseph C. Grew as Director of the Office of Far Eastern Affairs.

By Departmental Order 1268 of May 2, 1944, effective May 2, 1944, the Secretary of State designated Mr. John M. Cabot as Acting Chief temporarily of the Division of Caribbean and Central American Affairs.

The Foreign Service

CONFIRMATIONS

On May 3, 1944 the Senate confirmed the nomination of S. Pinkney Tuck to be American Minister to Egypt and R. Henry Norweb to be American Ambassador to Portugal.

CONSULAR OFFICES

The American Vice Consulate at Manta, Ecuador, was closed, effective April 29, 1944.

Treaty Information

GRANTING OF PLENIPOTENTIARY POWERS IN THE FIELD OF FOREIGN RELATIONS TO EACH OF THE SOVIET SOCIALIST REPUBLICS

Under provisions of the law adopted by the Supreme Soviet of the Union of Soviet Socialist Republics on February 1, 1944, each Soviet Republic has the right to enter into direct relations with foreign states and to conclude agreements with them.

A translation of the law and a translation of a circular note of February 11, 1944 from the Soviet Foreign Office concerning the reorganization of the People's Commissariat for Foreign Affairs, with which the law was enclosed, were transmitted to the Department of State with a despatch of February 15, 1944 from the American Embassy at Moscow.

The circular note reads in part as follows (translation):

"With a view to expanding international relations and to strengthening the collaboration of the Union of Soviet Socialist Republics with other states, and in view of the growing need of the Soviet Republics for establishing direct relations with foreign states, the new Law provides that each Soviet Republic has the right to enter into direct relations with foreign states, to conclude agreements with them and to exchange diplomatic and consular representatives. The Law of February 1, 1944, introduces appropriate amendments into the present Constitution of the Union of Soviet Socialist Republics of December 5, 1936."

A translation of the text of the law follows:

THE LAW FOR THE GRANTING TO THE UNION REPUBLICS OF PLENIPOTENTIARY POWERS IN THE FIELD OF FOREIGN RELATIONS AND FOR THE CORRESPONDING REORGANIZATION OF THE PEOPLE'S COMMISSARIAT FOR FOREIGN AFFAIRS FROM AN ALL-UNION TO A UNION-REPUBLICAN PEOPLE'S COMMISSARIAT.

With a view to extending international relations and to strengthening the collaboration of the Union of Soviet Socialist Republics with other states and in view of the growing need of the

Union Republics to establish direct relations with foreign states, the Supreme Soviet of the Union of Soviet Socialist Republics resolves:

1. To provide that the Union Republics may enter into direct relations with foreign states and conclude agreements with them.

2. To include in the Constitution of the U. S. S. R. the following amendments:

(a). Add to Article 14 point "a" of the Constitution of the U. S. S. R. after the words "representation of the Union in international relations, conclusion and ratification of treaties" the words "the establishment of the general form of mutual relations of the Union Republics with foreign states" whereby this point will read as follows:

"(a). Representation of the Union in international relations, conclusion and ratification of treaties with other states, and the establishment of the general form of mutual relations of the Union Republics with foreign states."

(b). Add to the Constitution of the U. S. S. R. Article 18-a with the following content:

"Article 18-a. Each Union Republic has the right to enter into direct relations with foreign states, to conclude agreements with them and to exchange diplomatic and consular representatives."

(c). Add to Article 60 of the Constitution of the U. S. S. R. point "e" with the following content:

"(e). Establishes representation of the Union Republic in international relations."

3. To reorganize the People's Commissariat for Foreign Affairs from an All-Union to a Union-Republican People's Commissariat.

President of the Presidium of the Supreme Soviet of the U. S. S. R., M. KALININ.

Secretary of the Presidium of the Supreme Soviet of the U. S. S. R., A. GORKIN.

MOSCOW, KREMLIN, February 1, 1944.

EXCHANGE OF PUBLICATIONS, UNITED STATES AND GUATEMALA

The American Ambassador to Guatemala transmitted to the Secretary of State, with a despatch dated April 24, 1944, an agreement between the Government of the United States and the Government of Guatemala for the exchange of official publications. The agreement, which was concluded by an exchange of notes dated March 23, 1944 and April 13, 1944, became effective on March 23, 1944.

Lists of official publications to be exchanged accompanied each note. Under the terms of the agreement, each Government agrees to furnish to the other Government, without the necessity of subsequent negotiation, new and important publications which may be initiated in the future. The official exchange office for the transmission of the publications on the part of the United States is the Smithsonian Institution; the official exchange office on the part of Guatemala is the Tipografía Nacional. The publications exchanged will be received for the United States by the Library of Congress and for Guatemala by the Biblioteca Nacional de Guatemala. Each Government agrees to bear postal, railroad, steamship, and other charges arising in its own territory and to expedite the shipments so far as possible.

REGULATION OF INTER-AMERICAN AUTOMOTIVE TRAFFIC

Honduras

The Director General of the Pan American Union, by a letter of May 2, 1944, informed the Secretary of State that on April 24, 1944 His Excellency the Ambassador of Honduras in the United States, Señor Dr. Don Julian R. Caceres, signed, in the name of his Government, the Convention on the Regulation of Inter-American Automotive Traffic, which was deposited with the Pan American Union and opened for signature on December 15, 1943.

Publications

DEPARTMENT OF STATE

Temporary Raising of Level of Lake St. Francis During Low-Water Periods: Agreement Between the United States of America and Canada Continuing in Effect the Agreement of November 10, 1941 as Continued by the Agreement of October 5 and 9, 1942—Effectuated by exchange of notes signed at Washington October 5 and 9, 1943. Executive Agreement Series 377. Publication 2101. 2 pp. 5¢.

Haitian Finances: Supplementary Agreement Between the United States of America and Haiti—Signed at Port-au-Prince August 28, 1943. Executive Agreement Series 378. Publication 2107. 2 pp. 5¢.

Health and Sanitation Program: Agreement Between the United States of America and Ecuador—Effectuated by exchange of notes signed at Washington February 24, 1942. Executive Agreement Series 379. Publication 2109. 3 pp. 5¢.

The Proclaimed List of Certain Blocked Nationals: Cumulative Supplement No. 2, May 5, 1944, to Revision VII of March 23, 1944. Publication 2113. 25 pp. Free.

Legislation

Supplemental Estimate—Department of State: Communication from the President of the United States transmitting supplemental estimate of appropriation for the Department of State, fiscal year 1945, amounting to \$50,000, in the form of an amendment to the budget for said fiscal year. S. Doc. 186, 78th Cong. 2 pp.

Estimate of Appropriation To Enable the United States To Participate in the Work of the United Nations Relief and Rehabilitation Administration: Communication from the President of the United States transmitting an estimate of appropriation to enable the United States to participate in the work of the United Nations Relief and Rehabilitation Administration, as authorized by the act of March 28, 1944 (Public Law 267), in the amount of \$450,000,000, and a proposed provision authorizing the disposition or expenditure by the President of supplies, services, or funds available under the act of March 11, 1941 (22 U. S. C. 411-419), in the amount of \$350,000,000. H. Doc. 572, 78th Cong. 5 pp.

U. S. GOVERNMENT PRINTING OFFICE: 1944

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.
Price, 10 cents - - - - Subscription price, \$2.75 a year

PUBLISHED WEEKLY WITH THE APPROVAL OF THE DIRECTOR OF THE BUREAU OF THE BUDGET